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foundation of the four big...

Philadelphia

1920

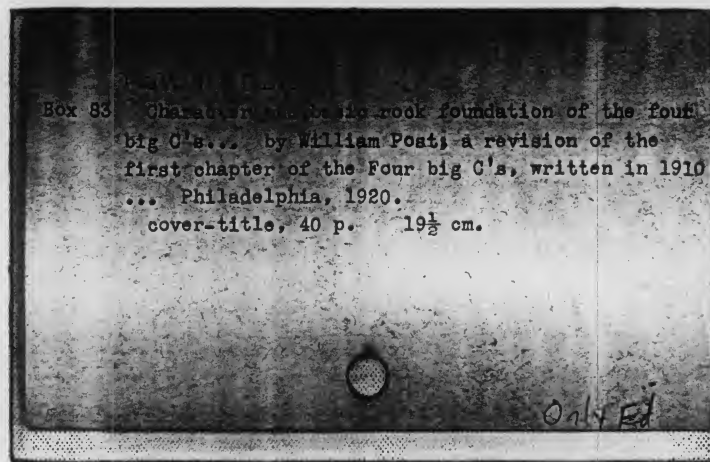
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**CHARACTER**  
THE  
BASIC ROCK FOUNDATION  
OF THE  
**FOUR BIG C's**

AND  
"THE HERALD OF OPPORTUNITY" FOR THE  
LADS OF TODAY WHO WILL BE THE  
CAPTAINS OF COMMERCE,  
INDUSTRY AND FINANCE  
TOMORROW.

---

By **WILLIAM POST**

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A REVISION OF THE FIRST CHAPTER OF THE  
FOUR BIG C's WRITTEN IN 1910

PHILADELPHIA  
APRIL, 1920

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OF PHILADELPHIA

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CHARACTER  
the  
BASIC ROCK FOUNDATION  
of the  
FOUR BIG C's

in the Extension of Credit

By WILLIAM POST

The call for copies of the Four Big C's presented in 1910 has continued down to the present time. Owing to its use in some of our colleges as a textbook and to the changes occurring in business practice during the decade, Mr. Post has been requested to make a revision of the brochure. The first chapter of that revision is here presented, to be followed by the three remaining chapters, Capacity, Capital and Collateral, as opportunity may permit.

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June 1920 JWP

## CHARACTER

"I would not teach that boy of mine  
That only victory is fine,  
Nor preach material success  
To him as glorious, unless  
He gains it with his head erect,  
His honor and his self-respect."

—From *The Detroit Free Press*.

No nation nor community may cast into the discard in its commercial life the commands handed down relative to the manner in which as individuals we are to use the other man's property except at ultimate and frightful cost. Those commands are as impelling, as vital, as veritable, as big with fate as in any previous time.

Abraham Lincoln pointed out in his earliest public speaking that "our greatest danger as a people lay within ourselves and not from the outside—from the love of money and luxury, rather than the love of God and mankind." As citizens of this free Republic which he loved and we love, we should not need a baptism of adversity every now and then to bring that warning home to us.

The magnitude, the fineness, the prestige, the rank and standing of our greater cities is not solely determined by a steadily advancing population—not by acres in floor space nor the cubic feet wrested from under blue sky in the nobility of our buildings—not by the sum of the yellow gold stored in the Federal Reserve Bank vaults—not by the rare ability and equipment in our Captains of industry and finance—not by the manufacture of a product from hooks and eyes to battleships—not by the number of railroads or steamships which load or unload at our terminals and docks—not by the groups of gold-brick operators who ply their trade within our gates—not by the tribes of gunmen, the criminal back-

America's  
danger "the  
love of Money  
and Luxury."

A labyrinth of  
material vast-  
ness and pres-  
tige not the  
only worth  
while factors.

Burn it in upon  
your Mentality  
that the Per-  
manent Stand-  
ing Safety and  
Strength of our  
Greater Cities  
needs to be  
based upon  
Principle.

Ten Thousand  
inefficient Stat-  
utes enacted  
to take the  
place of the  
Original Ten  
Commands.

Primal princi-  
ple handed  
down to us  
from the Book  
of Books.

wash from other lands, who lodge with us against our will and commit murder for the price of a steer—not by the legions of saloons which have lined our avenues and drawn their new recruits from some of the best young blood in the land. There are other considerations which make for the nobility, the solidity, the wholesomeness, the civic standing and the abiding strength of a great metropolis. Its regard for underlying business principle is one of these.

Mortal man would not have found it needful to enact ten thousand petty statutes—State and National—if he had accepted and continued for his guide—the immortal Ten Commands. That departure from text and spirit has led him into a trackless waste of doubt and a bewildering maze of needless laws.

Upon what is Character builded? Trace it back and it leads to the Ten Commandments. A disregard of those great precepts has sent the world far afield into a wilderness of uncertainty and crime. Those inspired Statutes are more compelling today to a safe environment in business than in all past time.

They are the basic rock foundations, away down underneath the caissons upon which the great superstructure of all that is worth while in business code has been builded.

They are not to be written off at the whim of the ultraliberalist, the journalistic free lance, the well veneered crook or the acid materialist—nor by those who define business liberty as business license.

There have been epochs when it seemed the fashion in certain lands and among types of men to assail the Book of Books from which the initial derivation of all primal business principle has been handed down.

It is related that long ago Voltaire in a great assembly of scientists declared that Christianity was in its twilight. The answer to that challenge came quickly from an aged

man in that convention who gained the floor, trembling under the weight of years. Stirred by the faith within him—the veteran replied in voice eloquent in rebuttal and prophecy, “Yes! Mr. Chairman, Christianity is in its twilight but it is the twilight of the morning.”

Some would-be free thinker, scientist or materialist springs up with every decade and wipes Christianity off the map, but the sale of the Book of Books in unprecedented volume—the building of legions of churches, hospitals and public benefactions and the increasing enlistment of a noble army of sacrifice workers for the betterment of mankind goes steadily on—a practical expression of Christianity.

The man who stoops to sneer at all things emanating from the Great Book—from which the primacy of all principle comes—no matter what he may affect to believe, will need to admit that the acceptance of principle is a good proposition for the mill he operates and for the men and women who handle his looms. They turn out more product, more efficient product, and add to profits and morale.

It is not a multiplying of creeds—not the bunching of Labor Unions—not Interstate Commerce Commissions—not more “regulating” Federal Trade Commissions—not more coercion of big business or swelling the heads of little business—not more assaults upon Capital or more subserviency to inefficient labor—not more sectional price-fixing or tax-fixing—not a guarantee of bank deposits putting a burden upon the thrifty and saving to carry the shiftless and wasteful—not more rubber-stamp officials ready to pass the buck by accident of political appointment in State and Nation—not elusive, brain-storming new freedoms—not more burdensome inefficient Government regulations or espionage—not the icy paralyzing hand of National political control that we need.

An Army of  
Sacrifice  
Workers for  
Mankind.

Principle in  
the Mill a  
money saver  
and a booster.

Not more regu-  
lation—not  
more laws—  
not more high  
salaried  
Officialdom to  
paralyze  
initiative.

The World  
need of today.

War Profit-  
ing and War  
Slackers—  
high-cost twins.

Minds of rarest  
equipment in  
Labor and  
Capital should  
strike the true  
balance.

Forces charged  
with dynamite  
let loose for  
political ends.

The after-  
war adjustment  
must ring true.

The world need of today is a reacceptance, a reaffirmation of the lessons written into those Ten Imperishable Statutes and a new fealty sworn thereto.

The war profiteering and graft, the army of slackers in cost plus systems and the disregard for efficiency in service, incident to the business life of the Nation under war conditions, it is not our purpose to in detail touch upon in this chapter treating of Character.

Those conditions will need to be reviewed and a corrective applied by minds endowed with the rarest gifts and equipment—minds with the finest sense of equities and the widest experience yet discovered in American ability. Those conditions will need to be approached by labor and capital in a spirit born of religion—born of overseas comradeship—if a lasting settlement be obtained.

The pendulum during war times has swung far from a true center and a retrued balance will need to be struck—a balance visioned and illumined by the war wherein a finer equity and a larger degree of security and permanency may fall to both capital and labor.

There have been vital lessons for both interests. During these perilous times forces have been unwisely let loose which in normal pre-war days would have required all of the delicacy of touch in handling given to a live-wire—forces unloosed which will tax the combined wisdom of all lands to safely harness for the welfare of all men and women and little children—forces involving the foundations of society—involving the sanctity of the home—the safety of rich and poor alike.

No after-war adjustment will ring true or be permanent which does not give careful consideration to the needs of labor, nor will it ring true if it lacks the fullest measure of efficiency from labor or if it limits output, retards or destroys initiative—if it fails to stand unqualifiedly for an honest day's work for an honest day's pay.

It is not so much the high cost of living—a spectre in a multitude of homes just now—as it is “the high cost of loafing”—a drag upon output in a multitude of workshops.

If the great army bunched in labor in the greater cities who are clamoring for short hours are to have food, the duration of a day's work—its hours of labor—can not be too hurriedly or unthinkingly determined by our multitudes in the crowded centres. They will do well to turn the light inward and counsel with themselves. They will do well to ask, Are we riding for a fall? They will prove foresight if they have a regard for the farmer—who must get his crops in and get his crops out in double-quick seasonable time. He is in service most of the year now from daylight until dark. Unless he shall be afforded relief from short labor conditions independent America is not unlikely to be forced to import food at no distant time.

A student of Credits and a banker extending credit, closing his fiftieth year in one institution, the writer has been in touch with numerous examples where the operatives in the mill—workmen and workwomen—in periods when the management has encountered financial distress or accident, or when the plant has been hard pressed with orders, have sent delegations to the employers and most urgently sought the privilege of sharing the burden.

At the other end of the problem we have the owners and managers of the business—the hardest worked people upon the payroll or there would be no payroll—they, too, in hundreds of instances have shown a deep human side for the men and women who serve them in the ranks. These interests are deeply interwoven.

President Garfield styled these interchanges of kindly helpfulness “the flowers that bloom upon the walls which separate us in our spheres of service.”

We believe it to be the earnest wish of the fair-minded in labor—likewise the earnest wish of those born under

High cost of  
living vs.  
loafing.

Short labor for  
the farmer may  
mean short  
food for the  
cities.

Labor and  
Capital inter-  
locked for  
results.

“The flowers  
that bloom  
upon the wall.”



The fair-minded in labor and the fair-minded in capital should go down the 20th Century side by side for success. Why not?

The Meddlers, the Incendiaries, the Troublemakers, the Wreckers who have crowded into the ranks of decent labor.

Will the working man back from the Overseas Army affiliate with the Troublemaker?

Is there not a close amalgam of the Comradeship of the Overseas Army and the Home Army.

avored conditions or who have wrestled with opportunity and earned a rank of vantage or a bit of capital, who employ labor—to arrive at a settlement which shall permit labor and capital to journey on down the great highway of the Twentieth Century with a brotherly estimate—the one for the other.

As a prelude to any agreement of permanency, it is for the strong fair-minded in labor to drive out the salaried meddlers who with breath-taking impudence have sought to interpret liberty as the right to wipe liberty off the map. The incendiaries who would burn the greater part of the world and then appropriate for themselves the salvage and the remnant. The troublemakers who have played with wires of high voltage in leading astray or poisoning the minds of those bewildered or not trained to think. The wrecking crews who have sought to sandbag or bludgeon the men who labor in the higher levels of efficiency down to the one level of the compensation they would forcibly exact in return for scant effort destructive of efficiency.

Is it likely that the real working man back from overseas, will lodge his trust in the noisy type of individual who kept his body out of danger, while living at home upon the fat of the land—who secretly intrigued to create strikes in plants manufacturing war supplies and demanding a dollar an hour in instances for slackers, while war veterans were paid a dollar a day? We can not paint ebony black.

It is not conceivable that the fine feeling of comradeship and brotherhood built up overseas between men of widely separated circumstances can be so easily forgotten. Nor do we think it possible that the kinship born of a common danger during the dark days of the war, engendered in the great Home Army of Support made up of men and women, rich and poor, of every community, who gave day and night service to aid our men overseas,

can fail of proving a factor in wringing out the equities of labor and capital.

Men of means and men who labor, side by side, went down as comrades in waves, at Chateau-Thierry, and in the Argonne. Those brave lads, side by side, rest beneath the flowers of France and the Stars and Stripes. Their names should be written, side by side, in letters of gold beneath the dome of the Capitol at Washington. Their nobility was long ago written deep in the hearts of all worth-while countrymen. Doctor Guttery, of Great Britain, spoke from the heart when he said, "America has poured out the fragrant spikenard of her consecration to freedom." He might have added these lads fought to strangle the most leprous menace yet descended upon the world—a menace to American homes, American women and American liberty.

These after-war settlements, if left to the Army of Men from overseas and that other larger Army of Home Support, should not be difficult of solution—nor should they be long delayed. These men were yoke-fellows in service. They would give and take. Why should those settlements be tardy or drag through a decade when so many minds are weighing this weighty problem?

Our Groups of Strong Leaders in Finance, our Greater Captains of Industry, our Strong, fair-minded Men in Labor, let us hope may set their faces as did our men in the Argonne, to wring out the quickest permanent agreements.

\* \* \*

We combed the dictionaries for a definition of commercial Character, but they hardly seemed to meet the want. Left to ourselves, we define it as that underlying, vitalizing factor in the credit risk, entering into all commercial transactions, known as integrity—that hidden element which may not be measured or touched or seen—that may not be thrown into the scale and balanced like merchandise or appraised along with other tangible assets.

Calvary came to our lads at Chateau-Thierry and in the Argonne.

Write their names in gold under the Dome of the Capitol.

The men and women from Overseas and the men and women in the Home Army should prove factors in driving out the meddlers.

What is Character?

It is the silent controlling force wrapped within the contract. It counts for more than gift or talent or trained ability—more than written pledge or bond with seal affixed. It is deep-rooted—integrity—close kin to honor—the moral quality which stands for honesty in all trade transactions.

Reputation and Character are not to be confused. Reputation may be put on or laid off as a garment. Character is what you are.

Between men of character the credit risk is made easy. You may recall "A Waif of the Press," published many years ago in rhyme, wherein two friends, the one having loaned the other a sum of money, have a friendly argument relative to the custom when money changed hands in this way. Neither had seen a promissory note. After determining that a paper reciting the loan should be given, a lively controversy occurred to determine who should retain this paper. It finally ended by the man who received the money receiving the paper too, and both were in happy ignorance. The indenture which passed would have been accepted only in a court of honor.

You would rather loan some men a million dollars upon their note of hand than loan others one thousand upon collateral, for the latter would trick you out of your security unless you were alert.

New codes of business ethics may need to be written with each incoming generation. Practices which had stealthily come into vogue thirty years ago and accepted at the time with complacency, are today ranked as disreputable, or the law forbids. There are practices of today which in the light of a new understanding will be so classed in later years.

The vigorous athlete invites our admiration, but let slow poison be injected into his virile manhood and be continued—strength gives way to weakness and weakness to death. So with our commercial life—the business life which has for its foundation—principle.

Reputation and Character mis-used at times.

Between men of Honor little else needed.

New business codes with each incoming generation.

Let graft and other crooked practices creep in to an increasing extent and the arteries which lead to the fountain of red blood—the heart of commerce—begin to clog and break down, and in the end moral and financial wreck follow.

Prior to the war it was urged that graft had been with us since the days of Valley Forge. That it had not polluted the great trade heart of the Nation had been due to the wholesomeness of American home life, to its non-sectarian public schools, and to its churches—to its colleges also in their instruction up to a point, shall we say 90 per cent. orthodox and safe—and in a degree to the stream of rich North, South, East and West country blood which flows into the business life of our greater cities year by year to reinforce the mixed, feverish, over-taxed morale. A morale depleted by the constant inflow from other lands of unlettered, untrained peoples, yet to be assimilated, seeking to better their condition here. Of these newcomers, with all the garnered instinct of forced ignorance, there have been many who needed to be taught the kindergarten of principle.

While men of high standards of commercial morality—dauntless in spirit—shall continue to multiply—men who will not permit themselves to be inoculated with the glooms—men who come into business as the products of homes and schools and churches and from a percentage of the lecture rooms of our colleges where regard has been given to principle and the rights of others—from channels which in this land work for just equities, for a betterment, for a brotherhood, so long let us hope the stream of commercial honesty and integrity will stand the strain put upon it and throw off the graft poison.

Does it pay to gain by taking unlawfully from our fellows? Does it lessen the degree of crime when it is committed slickly, adroitly, with the enamel of gentility, by deception, by throwing dust into the eyes of those who

Graft clogs the business arteries.

Graft, an unwelcome legacy handed down to us, should be steadily crowded out of all business transactions.

Homes, Churches, Schools and Colleges must hold up high standards.

Can we afford to take from our fellows?

Conscience  
Fund in U. S.  
Treasury.

The Sun leaves  
its first Kiss  
upon the peak  
of the  
Mountain.

Crowd the  
grafter hard.

He still wiggles  
in spots.

happen to be inexperienced and trustful—those who still believe in the honesty of their kind? We think not! Not from any angle does it pay for either capitalist or laborer by slick moves, to put his hand into the other man's pocket.

The United States Government has been robbed knowingly and unknowingly of sums at times in many ways. Up to a date some little while back the "Conscience Money" returned to the United States Treasury totalled above \$400,000. The smallest amount received was two cents—the largest above \$15,000. An evidence that conscience is still a silent mentor doing its work in spots. It brings restoration of funds taken unlawfully from where it would probably never be known.

The sun leaves its first kiss upon the mountains and if a minor percentage of our business houses—those of sodden conscience—have been living deep down in the valley of graft, the road up into the sunlight will not be easy but they had better hunt the trail.

In the period which lies just ahead of us if the grafter shall be hard pressed from every angle, as all right-thinking people hope he may, by the greater combinations of the concerns doing an honest business, the flag of commercial integrity will be nailed higher and higher with each passing year.

The Graft Snake still wiggles his way into certain lines of business, touches the professions in spots, and is of as many colors as have been known to the original snake family. There are trades into which it has crawled to a considerable degree—in other lines it will only be found in lesser instances.

We would not have the inexperienced believe that the "poison" reaches to all trades, nor to even a large percentage of the few lines here touched upon. There are many branches of trade where the taint has never entered or has been driven out.

Fair  
Commissions.

Political Graft.

An interesting  
sixty seconds.

Types of the  
Graft Snake.

Fair commissions agreed upon in advance by all parties concerned should not be confused with graft—they are legitimate when agreed to by the principals in the transaction.

Political graft as its slimy hand touches contracts is so well known as to need little mention here. There are a vast legion of men holding political office, however, who have proven true in safeguarding the tax-paying citizenry of this Republic:—don't make any mistake about that.

An incident related of Colonel Ludlow, of the Water Department in Philadelphia some years back, has proven interesting. A grafter who wanted to put over a contract for supplies entered the Colonel's office and sat down across from him at his desk. He jollied the Colonel a bit, then reached over and laid down a one hundred dollar bill. The Chief did not appear to notice the bill. He let the man ramble on for a short time—then picked up a cigar and with apparent careless ease rolled the bill loosely into a paper lighter and quickly touching a match to it, held it to his cigar until nearly consumed. The grafter rose from his chair with a stare and a gasp, then quickly made his exit from the office.

Weights and Scales have been meddled with either above or below the counter and measures have been constructed with false bottom to rob the customer. Coal wagons have been seized and taken to a public scale and found heavily short of correct weight. Lumber invoiced at 2,000 feet has been measured before the mechanics could drag it into the construction and found to be 10 to 15 per cent. short. The dealers under suspicion had frequently obtained contracts which other fair dealers could not meet and retain a profit.

We have heard it alleged in instances of stewards and housekeepers who, upon investigation of excessive provision or supply accounts, have been found to receive secret percentages upon purchases made.

Does it pay to go straight?

We recall a dealer in provisions who deplored the practice in a portion of the customers of his trade, which he claimed from his standpoint made it necessary "to buy" quite a proportion of his sales. An incident, however, related by him may prove of value to the man who goes straight. One of the young, alert men who entered his market every morning shortly after daylight to buy in a big way, knew exactly what he wanted; he bought the best, bought quickly at close prices and went his way. The dealer watched this young fellow for over two years as he entered this market and dispatched his business. There came a time when a mammoth hotel company requested this dealer to name a competent buyer—one who could not be grafted—and this young fellow obtained a much-coveted place. He had very early defined graft money as money taken from the other man's pocket.

He would not put his hand in the other man's pocket.

Other Examples.

In localities certain types of Agents in charge of property and collecting rents have, it has been alleged, not been content with the customary commissions, but in making repairs—necessary and unnecessary—have received a secret percentage from contracting bricklayer, carpenter, roofer, plasterer, plumber and others—the added cost a graft put upon the property owner.

Fifty per cent. added to costs.

We recall in the days of cheap shirts in a stagnant market—a mill overstocked it was alleged offered a buyer a round invoice of shirts off the bargain counter in bulk at fifty cents, which he agreed to buy if the manufacturer would bill the goods at seventy-five cents and pay him the difference. Buyers as a class are men above a secret deal—the example here quoted was only one speck upon the whole.

Collusion in Graft.

The manager or a secretly paid understudy may be in collusion with the man selling the mill of raw material in large quantities. We were advised of a big corporation victimized by a dishonest foreman who would tarry at the mill after hours, which was located upon a river front,

or would make an errand there on Sundays. He would dump quantities of good material into the sewer which emptied into the river not many feet away. It was said that the man in this case had been heavily grafted. At other times there have been superintendents or managers who have been bribed to keep a certain brand of raw material—not the best—on the list of mill purchases to the exclusion of better brands for less money. We were reminded of a splendid proposition—today worth big money—which dropped every dollar of its original capital in the first two years of its struggle to introduce its product which, while new, was superior to anything upon the market. The house started the third year with little beside experience, good principles and friends, and won out in spite of rival grafting concerns and crooked foremen.

Won out in a hard fight against Graft.

Rebates claimed upon goods not blemished.

Rebates claimed upon goods not really blemished is another form of slick graft—flaws picked and made in the weave of goods purchased and delivered which would be accepted anywhere by the best trade, in order to secure unfair reduction or with intent to sandbag the seller into naming a lower price. There probably never was a yard of cloth woven or a barrel of flour milled that under the glass would pass as perfect.

"Advertising" forced upon the attention of the business man which has no value for him and which takes the form of mild blackmail is another type of graft. It is not for you to determine if any advantage may accrue to you by accepting this type of "advertisement"—there is none—but rather how much harm can you prevent coming to you. This graft should be shut out of all reputable offices. It has become so annoying that certain trades and associations have entered into an alliance whereby all solicitations of this character must first be referred to a general committee and that kills it.

Graft perpetrated under the name of Advertising.

The contractor who puts in a bid below his honest competitors and then disregards the contract, taking it

Graft in Construction.

out of the construction or materials in order to get his profit, is a grafter.

Publishers who  
sell misinfor-  
mation or false  
propaganda.

Publishers of a certain type who sell misinformation to their readers—illegally prepared technical articles based upon unreliable data or scant data—publishers who transfer your good money to their pockets and give not only not a return but who fasten upon your mentality a false propaganda or untrue analysis subject you to a type of graft. The publication of an attack upon a great industry under the shibboleth of obtaining a cheap commodity for the community but really with only the effect of popularizing and increasing the magazine subscription list in order to advance advertising rates when the industry attacked is as legitimately and honestly operated as that of magazine publishing, comes very close to being a double graft—a graft upon the public and the industry.

Graft in Labor—  
the triangle.

The labor organization which forces the employer to send two men to do the work of one grafts you. The man who drops his tools the minute the boss moves on, the man who conspires with other men to keep down an honest output for the mill, grafts you. The labor organization which makes a good artisan carry a worthless one is a triple grafter—it robs the proprietor—it robs the expert workman to support the fake mechanic who must be paid a full wage—it robs the workman temporarily benefitted of the opportunity to develop into a real man. The man who enters into a conspiracy to drop hot bolts upon a non-union worker or to persecute his family, is not only a grafter but a brute felon as well—he may not wear a striped suit or be known by a number, due to a packed jury.

Graft mixed  
with brutality.

The subtle influence of the graft snake has been felt in hundreds of places and has lowered commercial standards wherever its slimy touch has entered.

If it goes on behind closed doors in the back end of the far counting room, by what right can the dishonest

employee in the front office be sent to jail for theft—the slick example may have been right under his eyes coming from higher up. If it starts at the top how long will it take to reach the rank and file lower down?

We have heard it alleged that the sales and earnings of certain concerns had rapidly increased under the direction of a type of General Manager and when pointed out to eminently respectable directors upon that Board of Management that the company was obtaining its business through graft, they have vehemently denied the charge but were unwilling to investigate. The new General Manager of that company had been selected by a “mercenary committee” from the Board after instructions had been given to pick a General Manager who could get business and show earnings. The mercurial directors to whose attention the matter had been called were neither willing to inquire into nor interfere with a “Manager” who could produce velvet dividends.

Graft in the professions has found a foothold—we do not believe that it prevails to any extent when compared with the great number who enter the professions. We were, however, somewhat startled a few months back to hear it alleged that in a calling crowded full of men of fine sense of honor—men living lives of greatest sacrifice for mankind—that a type of graft had found an entrance so reprehensible and so treacherous as to call for the swiftest research and punishment.

Men of larger experience than ourselves may say that we have soft-pedaled and only touched the outer rim of the graft problem. That may be so—it is not a pleasant subject—but let us add that we have faith to believe that graft has not found a place in tens of thousands of business houses—that it has been largely driven out of many lines and is being dislodged from others.

There is a percentage among men who are able to see not anything but the lure of yellow gold in all the moves

If Graft starts  
near the top  
what will  
prevent it  
from going  
lower down?

A type of  
General  
Manager who  
produces tem-  
porary results  
through Graft.

In the end the  
light will be  
turned on him.

Professional  
Graft in  
Spots.

Tens of  
thousands of  
business houses  
where Graft  
is shut out.

The lure of yellow gold proves all in all to the man without Vision.

Blue-sky or highly speculative investment.

The Ladies seem fond of per cent

they make—the dynamic of their lives is greed. Their motto is "Get money in any way, have a good time with it, for tomorrow we die." Sometimes the removal occurs by their own hand—they have seen the penitentiary door opening in front—or their house-of-cards tumbles in a wreck about them.

The number of individuals in this country who are urging the credulous, the inexperienced and the trustful to exchange hard-earned cash for inadequately secured or blue-sky investment is surprisingly large. Not a week passes but we have examples. The effort made to sell sham or inferior investment has taken a particularly dangerous form at times in a house-to-house door-bell canvass. Women known to have a few good securities or to have saved or inherited a bit of money have proven a rather easy mark for this style of solicitor. These men seek to touch the vulnerable point with the ladies—per cent. They urge them to sell well secured investment yielding 5 per cent. to 6 per cent. and offer them "securities" in exchange which they claim will yield 8 per cent. to 10 per cent. Too many of our women folk receive and hearken to that type of solicitor.

Another dangerous feature of latter day solicitation is in the easy manner in which the stockholders lists in corporations are obtained and are used as a basis for mailing a flood of "literature" or propaganda to the ladies. This feature has caused certain exploiters to make a business of furnishing lists of the stockholders of numerous corporations to those who will pay an agreed sum for these lists. This is not wholesome—our corporations should find a way to guard their lists. Our ladies should consign their circular letters to the waste basket unless they are able to consult a most conservative, safe business friend, or they may want to make a careful study of investments for themselves now they are to join us at the ballot box.

The mongrel breed of thieves and crooks will last while the race lasts and some of them will come to us well introduced or with seeming good credentials.

They will be of forceful personality, of correct poise, mentally keen and alert, slickly veneered, immaculately groomed and with a complete knowledge of the niceties of life and of up-to-date methods.

Not alone in these times do men do profound thinking in counting rooms where the higher levels of principle and endeavor prevail. From well appointed offices of seeming great respectability, from the cellars, the garrets, from secluded woodland cabins, from the decks of private yachts, from spots away from prying eyes, listening ears, tantalizing dictographs or the tapping of wires—from the lower strata of human effort where base purposes are whipped into shape and dishonest schemes are hatched—these men are tirelessly working to deceive and rob. They seek to keep just within the law.

They will throw the credit man compliments, hoping in that way to entangle him—off guard. They will mix bland, determined importunity with a veiled measure of threat, suggesting that he does not belong to the Twentieth Century unless he loosens up.

The trained credit man accustomed to these individuals will neither be hurried nor trapped by blandishments or threats into making an illy-considered loan or sale. These men plan to mingle with successful men of finance. They play upon the finer strings of human intelligence, passion and frailty. They give months to preliminary effort, just as the professional burglar, intent upon big spoils, with dark lantern, chisel, fuse, and taxi, will devote months to the preparation of his tunnel or mine, awaiting the final and favorable moment.

This fake trader first turns his attention to seeking out one of that bank's respected customers, and through that medium gains an introduction in proper form. He may

The breed of crooks.

They whip their plans into shape away from the sunlight.

Red signals—deep red—for the Credit Man.

Don't take a snap-shot where you need a time exposure.

A type of dangerous swindler—be on guard.

Watch this fellow from the start and keep watching.

Follow him back to other towns where he is known.

A cruel example of the astute trapping of a bank official.

open his account with a good balance and be shrewd in maintaining a good balance. He will drop into the bank, talk over his business with the officials—gets acquainted, and all the while he is carefully using his knowledge of human nature to make a study of the particular man upon that official staff whom he thinks may prove an easy mark. He will be telling of his worth—the money he is making. Modest accommodation will be asked and he will promptly meet these first loans. He may offer a copy of his padded statement. He may use the church or club to cloak his real plans. When he thinks he has gained the confidence of the bank, he plays his hand, secures a larger loan, hides away the proceeds—fails or absconds. To block this brand of crook is the task of the credit man and it will not always be easy.

In following this man's trail and record backward to other communities before you loan him, you may unmask him, you may find that he has been exposed and shunned by honest men. These creatures of underdone morals flock together in every large city. The law has mis-carried or they have cunningly kept within the law.

Not many years back, a good banking property in a certain city was wrecked by a man of this type. Cautiously, through a term of months, he gained the confidence of an officer of the bank—a man whose reputation had been clean and honorable. A worth while account was kept from the start. Modest loans, then larger loans, upon good collateral, were obtained and promptly paid. Having awaited the moment when conditions seemed to favor his plans, a large sum was borrowed upon what was represented as ample security. Investigation made immediately by the official who had granted the accommodation, unexpectedly disclosed the collateral as of uncertain value. A return of the money or the substitution of better security was demanded. The borrower insistently and plausibly promised to pay the loan,

claimed real value in his collateral, but urged that to do so quickly he must obtain a further sum, which, if granted, would permit him to complete a deal then pending whereby he would be in a position to settle with the bank in full. The fact that he had always met his engagements counted in his favor. The bank man in a harrassed state of mind, made the additional advance. The borrower was a rogue. The amount involved in both transactions was close to half a million dollars. Upon a sunny morning—one of those mornings when a normal man would thank God for the gift of life—bidding a gentle wife and daughters good-bye at the breakfast table, this man, who had hitherto not made a misplay, who enjoyed the confidence of his fellows and who had not profited personally, stepped into a quiet corner in the front of his home and shot himself.

There are numberless ways in which the character in the risk may be clouded:—

The concern may have failed in previous ventures and just before collapse, product in bulk may have been removed from the plant and the merchandise secretly sold. We know of concrete instances.

Suspicious fires have shadowed the character of concerns and the methods of carrying out the crime would fill many pages here. The blaze which destroyed the man's property burned a hole in his reputation—he may have been blacklisted on that account.

Credit has been injured at times by a breach of contract on the company's part which cost it heavy damages. An instance has been alleged where inspectors got into the plant where the bid for the product had been a low bid, and caught the management using forbidden materials in a large contract, and this exposure brought the concern to its knees in bankruptcy.

The credit seeker may have failed and settled with his creditors at twenty-five cents, and bob up soon after ready to pay cash for a new start.

A wrecked family.

Removal of goods before failure.

A hole burned in reputation.

Breach of contract followed by disaster.

Failed with money tucked away.



Tricked his bank with bogus paper.

Hides away his assets.

Pledges his liquid assets for loans while you may only have the siftings to secure his plain note.

The Statement padded.

How is the mortgage drawn and what does it cover?

One creditor may be secured by bonds—you may have his plain note.

Little Starshells may light the way. Items to be thrown into the Credit Crucible to determine worth.

He may have tricked his banks with a bunch of bogus or forged paper. He may have padded his line of discounts with agents' or salesmen's paper; he may have kited notes with other shady concerns or by using brokers of uncertain reputation in the transaction.

He may have segregated his assets overnight under another name and prepare the way for a collapse in his affairs.

He may secretly pledge his book accounts or merchandise with concerns which specialize in loans at usury rates while you carry his plain note or his open account.

He may be in the class who have made a dishonest statement and his creditors may have unmasked and brought him up to the ringbolt with a criminal warrant held over him.

He may have mortgaged his plant and in doing so the mortgage may be drawn to cover his quick assets—leaving his banker or merchandise creditor the siftings of his assets, dependent upon State statutes. Attorneys should be very slow to stab or cripple the credit of their clients by corraling quick assets under the mortgage.

He may execute a mortgage against his plant and issue the same in the form of bonds—not finding a ready market for the bonds he may hold them in his treasury to be pledged for loans, while giving others his plain note, protecting one creditor at the risk of the other without the latter's knowledge.

He may borrow upon his plain note to buy raw material, and then pledge that material for other loans while you are giving him unsecured credit.

He may promise his statement but always avoid giving it. He may inject into his statement items which do not belong there—property in his wife's name, paid-up life insurance not payable to his estate, or sums which would only come to him upon the division of an estate and not to be divided until the decease of other persons.

One of Chicago's veteran credit men, Herman Waldeck, has said:—"Post mortems have their lessons but none of us are keen to have them bunched in our credit departments." If the man who submits his statement has not integrity, it will be worthless as a basis for credit—it would prove your undoing as a credit man if you accepted his schedule without proof, knowing his character.

Even the collateral loan if not backed by Character may be supported by stolen, overissued, raised or washed securities. We could give all four examples.

You may put your expert upon the proposition, and he may advise you that values are as given in the schedule; but if the borrower be not honest those values can melt away—they may be sequestered, purloined or removed, unless you can afford to keep a detective and an attorney to watch that risk while you stay in it.

We caused a credit line to be closed where the principal had borrowed a round sum for the specified purpose of discounting certain large bills. We learned from outside channels that he immediately used our money to pay off a restless partner in the business. We sent for him and forced an acknowledgment. We gave him a few days to take up the paper—to this he demurred—but when reminded that such matters were handed to our attorney for quick action, he agreed to pay us off, which he did.

Another experience came to us. We had been extending a line of credit to a modest jobber. Not thoroughly satisfied, we requested a statement, which was given after urging and delay. To our surprise, it was better than expected. We not only did not press for a reduction, but gave him further credit. Within a few months he failed. At a creditors' meeting called, a fresh schedule of Assets and Liabilities was submitted. This later statement evidenced an indebtedness far in excess of the first schedule filed. After the meeting, we sent

The Credit Man does not covet post mortems.

Don't deceive yourself by loaning a rogue on collateral.

Values can melt away overnight.

A loss of Confidence in the borrower.

A false statement and the use made of it.



A firm stand taken.

Sales by department stores based upon character.

If close analysis is advisable look the man up in and about his home.

A tactful man of balanced mind needed.

for the debtor and asked for an explanation of the sudden change in the Summary. He reluctantly admitted that a close friend—a man of means to whom a large sum had been owing when the first schedule had been given us—had advised the omission of the liability due him from that first list of debts. The situation evidenced a very small payment to creditors. We advised the wealthy friend that if his claim was to be admitted without challenge he must first settle with us—the only creditor receiving the prior-dated, doctored statement—as he had knowingly been a party to the fraud put upon the bank. He settled.

Sales to people of modest means by department stores based upon Character checking, record a very trivial percentage of loss provided the credit man evidences training and initiative in corraling the environment accompanying each name. People of modest circumstances who have never been honored with a charge account at a great store are at times greatly pleased in being singled out by the invitation to open an account. The credit man will need at times to size up the whole family and the home investiture and learn a great deal about them before he puts them on the favored list. This class of customers may be the first to discharge the monthly account at the store.

If it is your conviction that a very thorough analysis of the character of a bank credit risk should be made, look the man up in and around where he resides—put the probe in deep. Quietly interview the landlords, the small trades people, his neighbors, and others. Coal dealers, grocers and plumbers in and about where the man makes his home can at times be the index finger which shall point to the character of the risk. This drag-net may bring out evidence of extravagances of which note should be taken. The man who makes this investigation needs to be of ability to tactfully obtain and properly balance information coming from these lesser channels. An analysis of this kind has revealed that the reputable

man of business while downtown may be in his social life and leisure hours a gambler for large stakes. We have an instance in mind. The man always wanted to turn a friendly game of cards into a play for large sums. You may find a shiftlessness in and around his home environment in other ways which will point the way to character.

If the man under analysis be a stranger, it will help to double-rivet your opinion of him at times to know the side-lights in his home surroundings. Here is an example sent in to the New York Sun by a reader some years ago:

"In my town the president of the bank was the bank. He did as he pleased about lending money, which was satisfactory to everybody, for he was shrewd, just and intelligent, a good judge of men—he rarely made a mistake—he had breadth of vision.

One winter day there came into the bank a business man, a recent newcomer in our town, who wanted to borrow a fair sum upon his unsupported note. The bank president talked with him a bit about his business and about himself and told him he would let him know the next day.

Just after the man left it began to snow and it snowed all afternoon and nearly all night—about a foot of it. The next morning the president, an early riser and having this man in mind, went around the block and took a look at the property where the newcomer had moved in. He unexpectedly found the long sidewalk—and a corner property at that—as clean as a whistle—the gutter cleaned out, too.

Here was a man who evidenced to the bank president a due sense of his responsibility to others by his regard for the safety and comfort of his neighbors and all who might pass that way.

This was the determining factor for the bank president—on that estimate largely he loaned the money. His judgment proved sound. That man became one of the principal business men of our town."

Here is another example. In this case the man was unusually attentive to business—until after lunch time:—A salesman—afterward a dealer and customer of ours—was selling coal shipped direct from the mines. He visited his retail customers weekly. Among the number always visited in the forenoon was an apparent hard working retailer. He could be found quite early in the little coal office of his yard, or more likely out in the yard putting a hustle into his coal sifters or drivers. The

The bank President who sensed a good risk and made a good customer by his knowledge of men.

The customer evidenced a prompt sense of his obligation to others.

The Salesman who sensed a bad risk through slow pay and intuition.

salesman had sold him coal in carload lots for years in a big way. For a long while he had been very precise and prompt. Latterly a change had come. He was still moving a large amount of coal but began to be tardy in his payments. Then more tardy, then he asked for quite long time. The salesman could not uncover the cause of the change by interrogatories of the retailer, who was more than ready with excuses, nor by private inquiry upon the outside. After this condition had continued for an undue time, he told the shipper for whom he sold the coal that he was going to stop taking further orders. The latter was hardly willing to assent at first, but the salesman insisted—that while he could not give an explicit reason for wanting the account closed, his intuition or credit sense told him to quit. The salesman called and advised the retailer of their determination. He was angry and stated that he did not need their coal—that he could get all the coal he could use. This he did for eighteen months, when he made a bad failure—then it came out that while he was unusually attentive to business until lunch time—that after lunch he had been putting in all of his afternoons at a bucket-shop, where his money had been lost.

The bucket-shop comes into the credit.

The repudiation of the contract to purchase goods in a declining market.

The practice of repudiating or finding a way out of a Contract to purchase goods arising from a quick turn in the market against the buyer, has been very troublesome and harmful to merchant and manufacturer. A contract to purchase goods at terms fixed in the agreement is as binding as the obligation to meet a promissory note: not only technically, but legally binding. A legion of houses which had contracted for goods at high prices just prior to the panic of 1907 stood by their agreement and in taking the goods and not seeking to evade the contract, disclosed a heavy loss for the year, but their names stand high in the mercantile world. Other houses at those times laid down upon their agreements, owing to a drop in price. This caused hardship to both merchants and

manufacturers, who not only had thrown back upon them the lower-priced merchandise, but they were compelled to take the loss upon high-priced raw materials which they had agreed to buy. In this way the burdens were unfairly doubled up. This has happened with every sharp decline in prices.

Sharp declines in the market bring unfair cancellations.

The merchandise contract for goods purchased should be as sacred as any form of obligation known to the commercial world.

The borrower may be in a class of customers who have contracted bad habits. You may discover upon calling for a record of his payments throughout the years you have been selling him, that in proportion as the moral hazard has become clouded, his payments have been less prompt. Every credit man will have his examples; some will heed the red signals and order the account closed; others will halt in decision, and take their loss later on. If one or more of the men in the management upon whom devolve responsibility and close attention to business are hitting the booze trail, the credit man will need to take note of it.

Bad habits will have an influence in determining the risk.

We would like to omit any discussion of the rapid life in its effect upon the credit risk, but it cannot be done. It does affect the risk in instances and cannot be disregarded. No true analysis of credits can be made without taking into the account the moral hazard. It will not always be a determining factor, but it will need to be thrown into the scale, balanced and reckoned with. Taking the country as a whole, with its colossal trade, it is our conviction that greater emphasis is laid upon this factor in the risk than at any previous time. The greater credit departments in both banks and mercantile life which are in daily touch afford this result. The signal of warning may be wigwagged quickly from city to city between credit men serving each other almost daily. In spots among merchants and bankers you may hear the moral hazard lightly touched upon; but even among

Credit Departments in close touch these days—the note of warning passes quickly.

men of this type you will discover that the credit departments under them will not be permitted to disregard these lapses in making up the analysis.

The lurid pace.

We will not need to offer many examples of the manner in which the credit of the borrower is affected by a lurid pace. A modest number will suffice. Business men in large communities will know that they can be easily substantiated or multiplied.

Examples  
where credit  
has been  
injured.

The first man started with a good trade, handed down to him, and with a fair amount of capital. With his complete knowledge of the business and with care, this capital could have been rapidly added to, but the first year's success turned his head. He started to keep two families, regardless of expenditures. He did it openly. He was selling goods on commission, with a rapid turnover, and these goods were coming in daily. He had three bank accounts where he had established liberal lines of credit. Those who were shipping him asked for information as to worth and character. Two of his banks admitted that the moral side of the risk was a disappointment; that they intended to see his line reduced. The third banker, a man of easy habits, made light of the criticism. From that time the borrower's credit channels contracted, until near the close of the second year, when he failed.

Too many  
affinities upon  
the payroll.

Too many families upon the private payroll; payments through the divorce court to be rid of an affinity may all be factors in curtailment and injuring the credit of the man trading by himself, or the injury may reach the firm or corporation with which he is connected. The extent of the injury may depend upon the degree of lapse or the extent of his influence in the management of the business—others on the staff may be watchful and prove a foil.

We had been purchasing the note of a concern in the open market. The statement was good but the advices as to the risk began to imply a doubt. Then it came out

that the man would need to pay an affinity a snug sum before she would remove herself from his horizon—our credit friends replied to our inquiries—"wait awhile."

The financial standing of a man who started life with a legacy of \$25,000 was retarded and clouded in his early start for many years by his need to settle with a woman in whom he had shown an interest—it cost him his legacy and ten years of his start.

A costly start.

The intimation that a number of women were upon the payroll of a concern in another city without valid reasons and that these women were none too reluctant to "assert their rights" affected the sale of the company's paper in open market.

It is just as true as in other days that the booze trail and the weird life with its accompaniments when viewed "in the cold gray dawn of the morning after" will neither strengthen the borrower's credit nor add to the clearness of his vision.

The booze trail.

If it be good for the "lookout" upon fast liners with a passenger list of several thousand souls to have a keen eye and a clear head, is it not good for the Officers of the Line to keep away from the ship's bar? If it be good for the man in the switch tower to be alert of mind and steady of nerve as he locks or opens the rails; if it be good for the man in the locomotive cab who must have an eye to the electric signal and his hand upon the throttle; if it be good for the man who guides the motor car and has regard for the life which rides with him and the aged and the children who may cross his track; if it be good for the man who must control masses of molten metal, or who handles live wires to perform his function in a way not to endanger the lives of those about him; if it be good for the great surgeon and the nurse to enter the operating room free from sodden brains and with steady hands—if it be good for all of these to cut out the rapid pace, is it not

Is it worth  
while to keep  
a clear head  
and a steady  
hand?

The safety of  
human life  
depends upon  
this man.

equally true that the men upon the ascending ladder in great firms and properties with vast trusts in their keeping should gain the respect and set the example for the army of understudies who serve these greater interests?

Indirect dishonesty cloaked by slick maneuvers.

There are types of indirect dishonesty cloaked by a measure of seeming respectability. We give a few examples:—

Many varieties of the trickster.

The man who profits by covering up faulty construction in building your plant—the man who by legal maneuvers to secure delays in the way of a quick and just settlement in the courts in order to throw dust in the eyes of those interested and obtain a fee not earned—the man who conspires with other petty creditors to throw a reputable house temporarily tardy in its payments into bankruptcy in order to force a quick sale of the assets in bulk—the buzzard concern which fattens upon the assets of houses in financial distress and through legal moves known to its shrewd and experienced attorneys forces a quick sale of assets upon the bargain counter at the expense of both creditors and the failed owners—the man who controls capital and forces a concern into financial straits by first encouraging it to overborrow with the purpose of compelling the assistance of the capitalist in refinancing at big cost. These and scores of other moves are made under a pretense of keeping within the law, but all are made to gain an unfair advantage or to rob.

Evil effects of over-capitalization. Good securities injured along with lesser values.

A long chain of evils from an over-capitalization—an over-issue of bonds and stocks away beyond intrinsic worth, book values or earning prospects and their exploitation in our markets has descended upon us in recent years and has been the direct cause of much of the drastic legislation for the so-called regulation of public and corporate issues. That the pendulum swung so far to the wrong side to the injury of this type of reputable investment, was partly due to a purpose to check the issue or sale of false values and a purpose to doubly protect the public.

The get-rich-quick fever which has been creeping into the blood of the last generation has turned the heads of too many of our young men.

Young men who get the get-rich-quick fever in the blood.

We will try here to sketch for you a type of the man we have in mind. His age we will say was twenty-five. Equipped with education, brain, muscle, health, a square jaw and a pleasing manner. A rather dangerous equipment when not put to a good purpose. He had inherited a few thousand dollars from an honest, frugal parentage. He had been out of college for a short while, casting about for his bearings—for an occupation or business.

He started with the wrong viewpoint when taken from any angle. He threw overboard his early training. He wanted to get big money and get it quick. He wrote to a friend who was deep in the swirl of "high finance" in the greater city nearest to him for advice. The friend replied, "If you want to make money come where the money is." He packed his bag and went, but found his friend had only half-defined what he had really wanted to say in that brief message. The unwritten part—the brute side of it—was not so often spoken. That the message when amended should have read:—

The young fellow had his wish—he got the other man's money but made shipwreck of all that was worth while.

"If you want to make money, come where the money is and learn the game of transferring the money from the other man's pocket to your pocket by any form of skulduggery, chicane, blue-sky or gold-brick tactics, press propaganda, wash sales, or rigging the market. The methods in vogue with a certain type of conscienceless operators and promoters which will give the victim in a slick, keep-within-the-law manner the least possible return for his real money after you have trimmed him and still keep you out of jail."

How to transfer the other man's money to your pocket without giving him a value in return.

Our young man quickly absorbed the advice given. He became a persistent student of "crooked finance"—he got into the game early. He worked long hours at it, giving particular attention to the "Press Bureau" end of the scheme. He made a close study of the human equation—the vulnerable side in men. He found others with

Brains put to harmful uses.

Stock issue a dozen times any possible value.

Playing upon human frailty.

The velvet-covered club.

A wrong decision.

larger capital, quite ready to embark upon any promotion or flotation of balloon values that promised well. He took the head-work, the general layout, upon himself. He started in to create combinations of concerns handling kindred lines. He planned to group one or two exceptionally good properties along with a half-dozen or more of doubtful value under one title. He paid but little for the worthless ones and that payment in stock, not to be sold until the "syndicate" managers should say the word. He experienced difficulty in persuading the people who owned the two good paying properties to come in. They objected, for reasons:—they had a good investment—they had made the business successful by putting brains into the management—they valued their trade independence—they were uncertain of the value of the proposed stock of the combined properties offered in exchange—they had a human feeling for many of the men in their employ upon whom age was creeping and who had given much of intelligent effort in contributing to the company's success.

The negotiations here reached a point where the young conspirator needed to play upon all the strings of human frailty. He needed to convince this small group of managers that they would be wise to come in. He was an astute diplomatist. They hesitated, and then he implied that he would like to befriend them. He adroitly soft-pedaled this feature, but let it be known that there were hard knots under the velvet—that the capital back of the combine was abundant to corral at all hazards the trade in that line—that those who did not come in were quite sure to encounter a competition that might spell—ruin. The management of the paying concerns withdrew to another room for counsel. The majority in the group were of the opinion that a bayonet would be pointed directly at the heart of their business. Reluctantly they determined to accept the offer made.

They received a small sum in cash, preferred stock for book values, and a considerable block of common as a sweetener. They were, however, persuaded to agree that none of their holdings would be sold immediately.

Having now corralled the desired properties under one title, this young promoter starts his press bureau working over-time—this phase of the scheme had been wrung out in advance. The "merits" of the new company and its "earning power" are presented through numerous well-selected channels with no expense spared—this feature is wrung out with all of the adroit, subtle artfulness of an astute mind. Through a score of avenues the prospects are exploited. When all is ripe "wash" or sham sales begin outside of the stock exchanges at prices far above any real value. The market for the stock has been carefully "rigged" by every known artifice. When the public becomes interested the trick is done and bonds, preferred stock and common stock are steadily unloaded upon an advancing market at balloon values.

Very early in the game all who had been taken into the inner circle with this crafty young brigand obtained back the small capital they had contributed and have converted their worthless holdings of balloon stock into fat bank balances. When this has been accomplished, they have quietly sold all but a small fraction of their holdings—in that way they gain their release from responsibility in the management of the combine.

The ballooned properties are left in the hands of the open market purchasers and the original owners of the companies—both types are victims of a conspiracy so adroitly maneuvered under keen legal advice that the statutes do not reach the gamblers.

The remnant of conscience left to the promoter in this his first crooked venture he seeks to appease by urging

Good properties exchanged for handsomely engraved certificates of little value under dilution.

Press Bureau working twenty-four hours.

Wash Sales begin.

Balloon prices realized.

They make a killing and then get from under.

Two groups of victims in the end own the combine.

inward upon his mentality that these securities "have a value."

His second  
Balloon.

He next buys a broken down utility property. He selects a property far away from where he plans to sell the "securities." To know the property from a too close observation would kill the sale. He pays \$100,000 for this crippled company. For appearances' sake and to gain the local good will, which he may need if inquiries go in to the home town relative to the company—he starts in to spend a modest sum in betterments—this creates a good home atmosphere. He takes out a new charter if necessary, then creates a bond issue, a preferred stock issue and a common stock issue, for a million dollars in the aggregate. His press bureau and his tactics in handling previous exploitations are again brought into use and he is successful a second time in transferring the other man's money to the bank accounts of those associated with him in the game.

He creates  
not anything—  
produces not  
anything—  
earns not  
anything.

On and still on this lurid money grabber travels year after year in this debauch of crooked finance. He creates no real values. He produces not anything. He earns not anything. He makes well wrought out, crafty moves upon the chess-board of weird finance whereby the other man's earnings are transferred to the promoter's pocket.

Thirty-five  
crooked years  
quickly pass.

So absorbed has he been that he has failed to measure the lapse of time. Thirty-five years of this career of pitiless greed have gone quickly—all crowded into this crooked game.

The Silver  
Plate on his  
Office Door.

As a lure for the outsider he very early appropriated a respectable business name for his polished silver door plate and for the ultra stationery which he has affected to use—it reads:

BANKER  
HIGH GRADE INVESTMENTS

He has made many enemies—no real friends. He has lost nearly all touch with the human side of life—some who have watched his moves and who knew him as a blithesome lad have said that "the red blood of his inheritance had turned to acid." By men of standing and character in a city crowded full of men of character he is ranked along with the hard-featured creatures who would elbow everybody off the sidewalk and who sneer at honesty and decency in business.

Looses touch  
with things  
human.

At this period in his self-sufficiency, at the age of sixty he makes a common error. Having appropriated millions of other people's money which had been tucked into good investments and noting signs of physical tire, after working under forced draught, he gives up his office and retires from his game. Long ago he had acquired a home of luxurious appointment upon a fashionable Avenue and filled it with servants, hand-picked and trained to his liking.

At age of  
sixty he quits  
the game.

With habits broken—vigor showing impairment—mental activities and demands upon his time lessened—the care of his invested estate and his home his only active interest—with no worth while friends to greet him—he unwittingly finds the light turned inward upon himself.

Despite all diversions sought upon the outside, he is unable to shut out lessons in his early training and unpleasant phantoms of his latter-day experiences.

The light  
turned inward  
upon himself.

He finds it not easy to crowd aside the discovery that he is looking from out the West Windows of life—not into the glory of a golden sunset but into a November twilight, sombre, gray and deep. Always a wizard with figures, he fails utterly to figure out where the thirty-five years spent in his game have gone or what they have given him except the money which belongs to the other man.

Looking into  
a sombre  
November  
twilight.

A trivial  
incident  
irritates him.

The man with  
a song in his  
soul who passes  
beneath his  
window every  
morning.

Conscience has  
a belated  
inning.

The Eighth  
Commandment  
and a backlook  
to the old  
homestead.

We think you  
will agree with  
Mr. Guest.

In these restless days of his experience, a seeming trivial incident annoys and irritates him. Just after dawn, every morning, week after week, there passes beneath his open window a man who has cultivated and mastered the art of whistling to a degree of rare musical rhythm. The tune will be any one of a half-dozen merry songs. He wants to know from his butler "who that fellow may be" and is told that "he is just a jolly good working man out to get his daily wage." Repeated morning after morning, the gamester grows resentful toward that man. He is impatient that he should be so cheery and content—by what right does he have a song in his soul?

In the quiet of these wakeful hours he finds himself wishing that his gains had come to him in a decent, clean way and while in one of those moods he conceives and orders a half-million dollar building planned, erected and endowed for Tuberculosis patients. He closely watches the effect of this announcement in the Press. He orders a Clipping Bureau to send him all that may be said of it. He is again disillusioned. The news falls upon an unresponsive public. It is too well known how his money was acquired. Some of his old pals were even unkind enough to suggest a "fire escape"—others "conscience money."

In this restless time, he adopts all manner of expedients to forget but always the inlook and the outlook remain the same. For him ever and anon there seems written in great letters upon that sombre November sky the Eighth Commandment which he had learned as an honest, clean lad in an honest home environment. Someone has said "that those who break the law are not unlikely to in turn be broken by the law—if the civil law does not reach the moral law will."

The foregoing is only a picture—but many men of experience upon the street will agree that it is not a bit overdrawn. To double-rivet the foregoing we are gra-

ciously permitted to offer "The Better Thing" from a sheaf by Edgar A. Guest, the Poet of the People:

"It is better to lose with a conscience clean  
Than win by a trick unfair;  
It is better to fall and to know you've been,  
Whatever the prize was, square,  
Than to claim the joy of a far-off goal  
And the cheers of the standers-by,  
And to know down deep in your inmost soul  
A cheat you must live and die.

Who wins by trick may take the prize,  
And at first he may think it sweet,  
But many a day in the future lies  
When he will wish he had met defeat;  
For the man who lost shall be glad at heart  
And walk with his head up high,  
While his conqueror knows he must play the part  
Of a cheat and a living lie.

The prize seems fair when the fight is on,  
But save it is truly won  
You will hate the thing when the crowds are gone,  
For it stands for a false deed done,  
And it's better you never should reach your goal  
Than ever success to buy  
At the price of knowing down in your soul  
That your glory is all a lie."

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Reilly & Lee Co., Chicago.*

All honor to the men who have made their money in honest manufacturing, merchandising, transportation, banking, mining, stock and bond brokerage, and many other forms, and who have given great sums for education, philanthropy, or in other ways for the betterment of the race. There is a legion of such men all over the land—some of them regard themselves as Stewards of the great sums in their keeping—don't make any mistake about that. Let their names be placed high upon the Roll of Honor.

Men of the highest character were found in every clearing house center, in the smaller cities and in the rural communities, in the perilous times in the panic of 1907, again in 1914 and throughout the war period—they were 24-karat men. It is a bright omen in the business world that there were so many of them—that no section was without its allotment.

Honor Roll  
Men who have  
made fortunes  
and given  
fortunes away.

Men of high  
character to  
the front in  
times of  
financial stress.  
They hearten  
the rank and  
file.



Tried-out men  
of quiet force  
meet the call.

The Granite  
Men who took  
the torch and  
led the way  
during the war.

Men who have  
met with  
financial  
disaster but  
who afterward  
paid every  
debt.

A man with  
blown-in-the-  
bottle  
Character.

When the dark and sinister clouds of 1907 settled down upon the business interests of this country, a financially distressed people turned instinctively to these tried out men of quiet force, upon whose character no financial taint had ever rested, and whose capacity had stood the tests of half a dozen panics. Some of these veterans were like granite columns all through those troubled times, against which the waves of distrust and doubt beat from every side, but they proved equal to the task assigned them.

Again in 1914 and steadily on until the war closed, these granite men seized the torch and led the way—they held their posts night and day and served their country. Many in their home communities gave their services without compensation. Others, the biggest we had, went to Washington and gave their all at a dollar a year salary and paid their own hotel bills. There was no limitation upon their hours of labor. None of these men coveted decorations. They stood the acid test.

The examples among men who have been overtaken by unforeseen disaster and who have been temporarily embarrassed but who have paid every debt in full and without asking flowers in return would constitute a remarkable list. One of the most interesting which has come to us in this class is one referred to in the Bulletin of the Philadelphia Credit Men's Association awhile back. That journal published the following:

"Many years ago Mr. W. established himself in business in Johnstown, Pa. There he applied himself to the task of building up a modest competency, and his life slipped by in the unending round of petty cares and duties inseparable from a country store. And success came, as it usually comes to the deserving.

Then came a bolt from the blue, and Johnstown was visited by that appalling catastrophe which yet lives in our memories. The dam broke and farmhouse and city store, bank and barn were alike swept away by the raging waters and involved in one complete and disastrous ruin.

W. escaped with his life and with but one thing else—the good opinion and good will of his creditors, who, sympathizing with him in a calamity against which he could have made no provision, forgave him his debts and furnished him with more

goods with which to make a start. For W. did start again. The appalling nature of the catastrophe had no power to shake his will, and, undismayed, he started once more to accumulate the modest fund that should secure his family's welfare. The years went by; again the same round of patient industry, the same care for obligations, the mutual services of friends and fellow-townsmen, and again—think of it—success. Twenty years have rolled by, and today Mr. W. announces that he is prepared to pay his old creditors' claims in full—some fifteen thousand dollars.

These claims had been expressly remitted by his creditors or were long since barred by the statute of limitations, but Mr. W. took no account of these things. Neither did he reason that, inasmuch as his creditors' losses were the result of a tragic act of Providence and in no sense the consequence of his lack of business foresight or of his improvidence, he and his family might in all honor be permitted to enjoy the fruits of his later labors. Mr. W. was not content until all his creditors were paid in full.

In this age and generation, when the desire for sudden riches, the craving for material success, evidenced by ostentation and display, seems sometimes to set at naught the canons of the old morality, Mr. W.'s example is at once an inspiration and an earnest for the future. If we still breed men of such Spartan commercial virtue, we need not despair of the business fabric of the Commonwealth, and we can afford to watch with some degree of composure the maneuvers of the predatory rich. Here's to Mr. W., and may his second fortune, like that of Job, exceed beyond all expectation his first modest gettings. But whether this befall or not, Mr. W., we may be sure, will be content to leave a business record unstained and unsustainable, a record of business achievement, of inflexible integrity of purpose, equalled by few and excelled by none."

Before using the foregoing we wrote a friend in Johnstown, thinking there might have been a bit of high coloring in the outline as here set forth and were promptly advised that the account as presented in the Credit Men's Bulletin was in every way true.

The following incident is related of and evidenced the character side of Marshall Field:

"Away back in the 70's a man from Saint Joe, Mich., B. T. King, happening to learn that Marshall Field desired a good horse, brought one over and exhibited it to him. After looking the animal over carefully Mr. Field asked the price. Mr. King thought he was worth \$350. Mr. Field thought \$300 was about the right figure. That was finally agreed upon and the bargain closed. Some years afterward, Mr. Field, happening to meet Mr. King on the street, stopped him, and, taking \$50 from his pocket, gave it to Mr. King, remarking as he did so: 'That horse I bought of you was a better horse than I thought,' and without more words walked away."

A tragic  
Providence.

Paid his  
creditors in  
full with  
interest.

An incident  
evidencing the  
purpose of  
Marshall Field  
to be just in  
a trade.



Good-night  
to the lads.

The boys of today—that splendid army of oncoming blithesome lads as fresh and clean as new Twenty Dollar Gold Coins right from the Mint—will be the Captains of Commerce, Industry and Finance tomorrow. It is only a step across the boundary and some of them will be first in command at the greater Power Houses of America. We covet for them the right start. We would not have them caught in the undertow of money-getting by methods—crooked. We bespeak for them in entering the career honorable the vision that Character is “the herald of opportunity.”

# THE CENTRAL NATIONAL BANK OF PHILADELPHIA Capital, Surplus and Undivided Profits, Dividend Paid and Rate of Annual Dividend Since Organization, February 13th, 1865

	CAPITAL	Surplus and Undivided Profits (Earned)	DIVIDENDS PAID	RATE OF ANNUAL DIVIDEND
1865.....	\$750,000	\$38,000	\$45,000	6%
1866.....	750,000	104,000	82,500	11 "
1867.....	750,000	115,000	75,000	10 "
1868.....	750,000	200,000	75,000	10 "
1869.....	750,000	233,000	75,000	10 "
1870.....	750,000	264,000	75,000	10 "
1871.....	750,000	292,000	75,000	10 "
1872.....	750,000	384,000	75,000	10 "
1873.....	750,000	461,000	75,000	10 "
1874.....	750,000	642,000	82,500	11 "
1875.....	750,000	591,000	90,000	12 "
1876.....	750,000	630,000	90,000	12 "
1877.....	750,000	660,000	90,000	12 "
1878.....	750,000	661,000	90,000	12 "
1879.....	750,000	676,000	90,000	12 "
1880.....	750,000	728,000	90,000	12 "
1881.....	750,000	735,000	90,000	12 "
1882.....	750,000	858,000	90,000	12 "
1883.....	750,000	914,000	90,000	12 "
1884.....	750,000	1,061,000	90,000	12 "
1885.....	750,000	1,056,000	90,000	12 "
1886.....	750,000	1,102,000	90,000	12 "
1887.....	750,000	1,197,000	90,000	12 "
1888.....	750,000	1,259,000	90,000	12 "
1889.....	750,000	1,341,000	90,000	12 "
1890.....	750,000	1,450,000	90,000	12 "
1891.....	750,000	1,545,000	90,000	12 "
1892.....	750,000	1,602,000	90,000	12 "
1893.....	750,000	1,686,000	90,000	12 "
1894.....	750,000	1,744,000	90,000	12 "
1895.....	750,000	1,788,000	90,000	12 "
1896.....	750,000	1,865,000	90,000	12 "
1897.....	750,000	1,875,000	90,000	12 "
1898.....	750,000	1,888,000	90,000	12 "
1899.....	750,000	1,899,000	90,000	12 "
1900.....	750,000	2,056,000	90,000	12 "
1901.....	750,000	2,164,000	90,000	12 "
1902.....	750,000	2,271,000	90,000	12 "
1903.....	750,000	2,384,000	90,000	12 "
1904.....	750,000	2,463,000	90,000	12 "
1905.....	750,000	2,541,000	90,000	12 "
1906.....	750,000	2,672,000	105,000	14 "
1907.....	750,000	2,854,000	120,000	16 "
1908.....	750,000	2,997,000	120,000	16 "
1909.....	750,000	3,075,000	120,000	16 "
1910.....	750,000	3,278,000	120,000	16 "
1911.....	1,000,000	3,351,000	160,000	16 "
1912.....	1,000,000	3,444,000	160,000	16 "
1913.....	1,000,000	3,539,000	160,000	16 "
1914.....	1,000,000	3,628,000	160,000	16 "
1915.....	1,000,000	3,758,000	160,000	16 "
1916.....	1,000,000	3,941,000	200,000	20 "
1917.....	1,000,000	4,100,000	200,000	20 "
1918.....	1,000,000	4,273,000	240,000	24 "
1919.....	1,000,000		240,000	24 "
			\$5,710,000	

\* An allotment of \$250,000 in new stock was made at par to shareholders

# INTENTIONAL SECOND EXPOSURE

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\* An allotment of \$250,000 in new stock was made at par to shareholders



The Central National Bank of Philadelphia—preeminently a bank serving commercial and manufacturing interests—invites deposit accounts small and large from commercial houses—is prepared to grant loans based upon statements rightly envired, supported by balances.

Individual, firm, corporate, trustee, estate or special monies, non-borrowing, also invited.

MSH 21906

**END OF  
TITLE**